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NORTH KOREA: Dialogue With Seoul

(b)(1) (b)(3) (C) North Korea's latest offer to hold political talks with South Korea-while containing new elements of flexibility-does not mark any significant change in policy.

Pyongyang views the dialogue primarily as a useful way to deflect pressure for a more permanent "two Koreas" settlement, to encourage further US troop withdrawals, and to undermine stability and cohesiveness in South Korea. In pursuing these interim objectives, North Korea is trying to establish conditions that will make it possible for Pyongyang to achieve its ultimate goal—reunification on its own terms.

North Korea unquestionably is encouraged by the increased political uncertainty in Seoul that has followed the assassination of President Park in late October and the upheaval in the South Korean military hierarchy in mid-December.

Pyongyang probably will make new efforts to engage the US in direct bilateral talks aimed at achieving a total withdrawal of US forces. It will point to its initiatives on the dialogue between the two Koreas as evidence of its peaceful intentions.

North Korea may calculate that recent developments in South-Korea are the first signs that the highly centralized anti-Communist system established under President Park is beginning to unravel, and that this process will eventually lead to a weaker South Korean Government and strains in US - South Korean relations. Pyongyang may also hope that its own moderate behavior will encourage the US to resume troop withdrawals when that decision comes up for review in 1981.

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